

STUDENT FINANCE

GUIDE

2010/11



FINANCIAL SUPPORT

www.direct.gov.uk/studentfinance

General information is given below but this may not apply to all students. More detailed information can be found on the website above.

Full time students starting in 2010/2011

If you're starting a full-time higher education course in 2010/2011, the main types of financial help are:

- a Maintenance Grant or Special Support Grant - worth up to £2,906
- a Tuition Fee Loan to cover your fees in full (up to £3,290 for 2010/11)
- a Maintenance Loan - worth up to £4,950 if you live away from home
- a bursary from your university or college

The calculator on www.direct.gov.uk/studentfinancecalculator should be used by full-time applicants to work out projected study costs and to estimate likely support.

Maintenance Grant This can help cover living costs. The amount you get depends on your household income. If this is £25,000 or less you will qualify for the full £2,906 grant. Between £25,001 and £50,020 you will qualify for a partial grant. If your household income is more than £50,020 you will not qualify for a maintenance grant.

Special Support Grant This replaces maintenance grant for students who are entitled to claim benefits. You cannot receive a maintenance grant AND a special support grant.

Tuition Fee Loan Your university can charge you up to £3,290 a year for tuition fees. This loan helps with the costs of those fees and is not linked to your household income.

Maintenance Loan All students can apply for 72% of this loan. The remaining 28% depends on household income. The amount can be reduced if you get help through the maintenance grant but is not affected if you receive the special support grant.

Dependent student living with parents	Up to £3,838
Living elsewhere	Up to £4,950

Bursaries If you give consent on your finance application for information to be shared with your chosen university, you will also be considered for a bursary. Students who receive a full maintenance grant and are charged the full tuition fee should receive a bursary of at least £329.

How to apply for funding? The fastest and easiest way for full-time students is to apply online on form PN1. Student Finance England provides the service for online applications – www.direct.gov.uk/studentfinance. If you apply online for the parts of the finance package that depend on household income, your parent or partner can support your application by supplying their financial information online. If you prefer you can download paper form PN1 but paper applications take longer to be processed

PLEASE APPLY FOR FUNDING AS SOON AS POSSIBLE. FULL-TIME APPLICANTS DO NOT HAVE TO WAIT FOR AN OFFER OF A PLACE.

Quick Start Guides

As the name suggests, these provide an overview of student finance.

a. Full-time Quick Start Guide

2010/2011 New, full-time HE Entrants

**Total Student
finance available*****

Students living in parental home:

Household income	Maintenance Grant (non-repayable)	Maintenance Loan **	Total support available for Maintenance	Tuition Fee Loan (repayable)	Repayable	Non-repayable
25,000 or less	2,906	2,385	5,291	Maximum tuition fee an HEI can charge, and therefore the amount of Tuition Fee loan a student can get for 2010/11 is: £3290	5,675	2,906
30,000	1,906	2,885	4,791		6,175	1,906
34,000	1,106	3,285	4,391		6,575	1,106
40,000	711	3,483	4,194		6,773	711
45,000	381	3,648	4,029		6,938	381
50,020	50	3,813	3,863		7,103	50
50,778	0	3,838	3,838		7,128	0
55,000	0	2,994	2,994		6,284	0
56,153	0	2,763	2,763		6,053	0
60,000	0	2,763	2,763		6,053	0

Students living away from home, outside London:

25,000 or less	2,906	3,497	6,403	Maximum tuition fee an HEI can charge and therefore the amount of Tuition Fee Loan a student can get for 2010/11 is: £3,290	6,787	2,906
30,000	1,906	3,997	5,903		7,287	1,906
34,000	1,106	4,397	5,503		7,687	1,106
40,000	711	4,595	5,306		7,885	711
45,000	381	4,760	5,141		8,050	381
50,020	50	4,925	4,975		8,215	50
50,778	0	4,950	4,950		8,240	0
55,000	0	4,106	4,106		7,396	0
57,708	0	3,564	3,564		6,854	0
60,000	0	3,564	3,564		6,854	0

***Household Income:**

Generally speaking, household income is the income of:

- Both parents, if living together or
- The parent the student normally lives with if the student's parents are separated, divorced or no longer live together; or
- The parent and the step-parent/partner, if the parent the student normally lives with has remarried or lives with a partner.

****** The amount of Maintenance Loan that a student gets is reduced by £0.50 for every £1 of Maintenance Grant they receive.

******* The totals given here are based on the core finance products administered by Student Finance England. However, when working with students you should bear in mind that the HEI's also offer non-repayable bursaries, and for those students who receive the maximum amount of Maintenance Grant and are charged the maximum tuition fee, they will receive a bursary of at least £329 – although it could be much more.

There is also additional targeted support, much of which is non-repayable, available for students with:

- A disability;
- Mental health condition;
- Specific learning difficulty;
- Childcare needs, or
- Adult dependants

This guide focuses on the core financial products which the majority of full-time students will be eligible for; other forms of student finance, including targeted support are dealt with in section 8. They are an excellent starting point whenever a student asks, "How much can I get?" The quick start guide can be used in conjunction with the presentations available on the website and with the student workbooks.

Part time students

The two main types of financial support for part time students are a Fee Grant and a Course Grant. Disabled Students' Allowances are also available for part time students.

The total help available through the Fee Grant and Course Grant for part-time and distance learning higher education courses in England depends on how 'intensive' your course is, your household income and personal circumstances.

How much will you get?

Step one: find out how intensive your course is

Once you've checked that you're eligible for the Course Grant and Fee Grant, the first step in working out how much you'll get is to find out how 'intensive' your course is - this sets the maximum Fee Grant available.

Course 'intensity' is how long it takes to complete compared to the equivalent full-time course. Ask your university or college if you're not sure.

Step two: check if you qualify for maximum help automatically

You'll get the maximum Course Grant and maximum Fee Grant available for your course's intensity (up to the actual amount you're charged for tuition fees) if you're receiving any of the following benefits:

- Income Support
- Housing Benefit (including Local Housing Benefit)
- Income-related Employment and Support Allowance (ESA)
- Council Tax Benefit
- Income-based Jobseeker's Allowance
- New Deal Allowance

Otherwise, what you get will be based on your income - and usually, if you live with a partner, their income too.

Remember that when assessing applications for the Fee Grant and Course Grant, part of your household income is ignored if you have children or live with a partner. Please refer to the table for further information.

How to apply?

You'll need to make a separate application for each academic year, using the application form for part-time student finance (PTG1). Application forms for the Fee Grant and Course Grant for 2010/11 will be available to download from www.direct.gov.uk/studentfinance in summer 2010.

Fill in the form and take it with you to your college or university when you have been on your course for two weeks. Once your form has been stamped by your university, you will then have to send it to Student Finance England. Part-time students cannot apply online for funding.

b. Part-time Quick Start Guide

Support available to part-time students in AY 2010/11

Single student with no dependent children:*

Income	Entitlement	Fee Grant
	Course Grant	Fee Grant
Below £16,845	£265	Full Fee Grant (of the fees charged by the HEI, whichever is lower). Amount of Fee Grant (see note on intensity of study**) <ul style="list-style-type: none"> • Course equivalent to 50-59% of a full-time course - £820 • Course equivalent to 60-74% of a full time course - £985 • Course equivalent to 75% or more of a full-time course - £1,230
£16,845	£265	The Fee Grant is reduced by £50: Amount of Fee Grant <ul style="list-style-type: none"> • Course equivalent to 50-59% of a full-time course - £770 • Course equivalent to 60-74% of a full-time course - £935 • Course equivalent to 75% or more of a full-time course - £1,180
£16,846 to £25,419	£265	Amount of Fee Grant (or for fees charged by the HEI, whichever is lower) <ul style="list-style-type: none"> • Course equivalent to 50-59% of a full-time course - £770 less £1 every £11.91 of income (before tax) over £16,845 • Course equivalent to 60-74% of a full-time course - £935 less £1 for every £9.69 of income (before tax) over £16,845 • Course equivalent to 75% or more of a full-time course - £1,180 less £1 for every £7.59 of income (before tax) over £16,845
£25,420	£265	£50
£25,421 to £26,029	£265	No Fee Grant
£26,030 to £28,064	£265 less £1 for every £9.47 of income (before tax) over £26,030	No Fee Grant
£28,065***	£50	No Fee Grant

* Dependent children: A further income "disregard" of £2,000 for a partner, £2,000 for the first dependent child and £1,000 for each subsequent child is given. Therefore when helping a student calculate what they may be entitled to, you should take these allowances away from their gross income to work out the figure on which their entitlement would be based. An example is given below.

** Intensity of Study: The amount of Fee Grant that a part-time student will receive depends on the rate at which the student studies their course each year. This is referred to as "intensity of study", There are 3 bands of Fee Grant, each measured as a percentage of a full-time equivalent course with the Fee Grant amount increasing for higher intensity study in line with the bands in this table. Intensity of study is calculated by using the formula:

$\frac{PT}{FT} \times 100$ - % of intensity

FT

PT = number of modules, credits, points or other similar unit of measurement awarded if the student successfully completes the academic year for which they are applying for support.

FT = the number of modules, credits, points or other similar unit of measurement that a full-time student would be expected to complete in an academic year.

*** No support is available for part-time students with an income of £28,066 and above.

Case Study:

Jeff is in the first year of a part-time degree course. At the beginning of the year he agreed with his HEI that he would complete 90 credits in his academic year. The standard full time credits which the equivalent full time student would be expected to take would be 120.

Jeff's income is £28,500 a year. He has a wife and two children.

For students studying at an intensity of less than 60% FTE (full-time equivalent), the maximum Fee Grant available is £820. For those studying at 60% FTE or more, but less than 75% FTE, the maximum Fee Grant would be £985. For those studying at 75% FTE and above, the maximum Fee Grant available is £1,230.

Jeff's intensity of study is calculated as $90/120 \times 100 = 75\%$.

Jeff earns £28,500. As he has a wife and 2 children, £5,000 of this income is disregarded (an allowance of £2,000 for his wife, £2,000 for his first child and £1,000 for his second child). His student support is therefore assessed on £23,500 which means he would be entitled to:

- Maximum Course Grant of £265; and
- Fee Grant: 75% FTE study = £1,180

However as £1 is deducted from the Fee Grant for every £7.59 of income over £16,845, the calculation for Jeff's Fee Grant entitlement is:

$$£23,5000 - £16,845 = £6,655$$

$$£6,655 / £7.59 = £876.81 \text{ therefore}$$

$$£1,180 - £876 = £304$$

Jeff will receive the full Course Grant of £265 and a Fee Grant of £304.

How are student loans repaid?

From 1998, all students applying for a student loan – Maintenance or Tuition Fee – will have taken an Income Contingent Loan which means that when they start repayment, how much they repay will depend upon how much they earn and not on how much they borrowed.

This is a fundamental difference between student loans from SFE and commercial borrowing.

Student loans are subject to “compound interest”, which the student will be charged from the day they received their first payment until they have completely repaid their loan. Student loans are heavily subsidised and although students are charged interest compared to commercial loans, this is very low.

The interest rates are set on the 1st of September each year and from 1st September 2009 the interest charged on student loans is 0%. Interest rates do vary from year to year and the rules around how interest is calculated, are complex. The most accurate and up to date interest information can be found on the repayment website, www.studentloanrepayment.co.uk/interest.

This website – www.studentloanrepayment.co.uk – also provides a lot of useful information about such things as what happens if a student goes abroad after their studies and how they can pay their student loans back more quickly etc.

The key facts which a student borrower, their parents, partners and sponsors should know about repayment are:

- In taking on a student loan, the student is entering into a legal agreement to repay this at a later date.
 - The student begins repaying their loan/s from the April after they graduate or finish their course, but only once they are earning more than the threshold which is currently:
 - £1,250 a month;
 - £288 a week;
 - £15,000 a year.
 - The student will pay 9% of their earnings above the threshold, until their loan is fully repaid.
 - If at any time the student's income falls below this level or stops, repayments will stop also.
 - The repayments are collected through the UK tax system, either;
 - Through the PAYE, where payments are deducted by the employer in the same way as income tax and national insurance; and/or
 - Calculated through self assessment and paid directly by the students;
- Or if the student lives or works abroad
- Paid by another agreement agreed with the Student Loans Company

Income each year before tax	Monthly salary	Monthly repayments
Up to £15,000	£1,200	£0
£16,000	£1,333	£7
£21,000	£1,750	£45
£24,000	£2,000	£67
£27,000	£2,250	£90
£30,000	£2,500	£112

ADDITIONAL INFORMATION – FUNDING AND FINANCE

Please note that grants and bursaries do not need to be paid back whereas loans are paid back once you are earning over a certain amount per year (taken from wages like tax or national insurance).

Students need to be under age 60 to apply for a maintenance loan but there is no age limit for tuition fee loans.

It is important that you check personal eligibility if you were born or have lived overseas, if there are any queries about your residence status or if you have previously received funding for a higher education course. Overseas students can get further information on www.ukcisa.org.uk

You may be able to get extra help on top of loans, grants and bursaries via a Disabled Student Allowance (DSA) if you have a disability, a specific learning difficulty or a mental health condition. You can download the 'Bridging the Gap' guide from the www.direct.gov.uk/studentfinance website and can get extra advice/help from www.skill.org.uk and from the disability support team at your chosen university.

A range of other support may be available depending on your circumstances. For example, extra help may also be available if you have a child or adult dependant and the Access to Learning Fund can provide help for full-time and part-time students on low incomes who get into financial difficulty. More information about this is available on the student finance website.

The Educational Grants Advisory Service (EGAS) is an independent advice agency mainly concerned with helping students who are not eligible for funding from the government. Their information line is on 020 7254 6251 or visit their website at www.family-action.org.uk .

Career development Loans (CDL) may be another way to raise funds if you are not eligible for any other form of financial support. CDLs can help to pay for up to two years of learning and you can apply for between £300 and £8,000. Call the CDL helpline on 0800 585 505 to ask for an application pack and for further advice.

Each university also has their own funding/finance adviser(s) so it may be worth a call to discuss your individual situation and to find out more about your university's bursaries and other funding support.

Liverpool Hope University

studentfunds@hope.ac.uk

(0151) 291 3463 / 3488 / 3435

Edge Hill University

financialadviceteam@edgehill.ac.uk

(01695) 584452

Leeds Metropolitan University

Contact the Helpzone to arrange to speak to a financial adviser

www.leedsmet.ac.uk/financial_advice

(0113) 812 3115

St Marys University College

studentfundingservice@smuc.ac.uk

(020) 8240 4048